

- **ARTICLE II. - TAXES**
- **DIVISION 1. - GENERALLY**
- **Secs. 5-19—5-39. - Reserved.**
- **DIVISION 2. - SALES TAXES**
- **Sec. 5-40. - Definitions.**

The following words, terms and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Alcoholic liquor* means any spirits, wine, beer, ale, or other liquid containing more than 0.50 percent of alcohol by volume, which is fit for beverage purposes, as defined under the alcoholic liquor ordinance.

*Arena-coliseum* means a building or structure owned and operated or to be operated by the metro authority, and erected or to be erected upon Block 15 of Original West Rockford Subdivision.

*Club* means an organization that sells alcoholic liquors under a class C license, as specified and defined in the alcoholic liquor ordinance.

*Food and beverages* means solid and liquid commodities that may be internally consumed by any person for that person's nutrition or enjoyment, and which are sold for consumption or may be consumed within or upon the premises where the transaction of sale occurs, including, but not limited to, such establishments as fixed or mobile restaurants, coffee shops, cafeterias, cafés, diners, buffets, delicatessens, drive-in restaurants, movie theaters, fast food outlets, sandwich shops, soda fountains, taverns, bars, cocktail lounges, industrial feeding establishments, or soft drink dealers. Food and beverages shall not include, for the purposes of this article, such items which are both purchased and removed from the premises in hermetically sealed containers of the manufacturer or wholesaler, or which are sold at a grocery store, fruit store, vegetable store, delicatessen, bakery shop, candy store, or confectionery store for preparation and/or serving at the purchaser's home, or which are sold and delivered from automatic vending machines, or which are otherwise defined in this section as an alcoholic liquor.

*Hotel* means a building or structure kept, used, or maintained as, or advertised, or held out to the public to be an inn, family hotel, apartment hotel, lodginghouse, dormitory, or place where sleeping or rooming accommodations are furnished for hire to rent, whether with or without meals, in which 20 or more sleeping rooms are used and maintained for the accommodation of guests, lodgers, or roomers.

*Metro authority* means the Rockford Metropolitan Exposition, Auditorium and Office Building Authority, established as a unit of local government by the Rockford Civic Center Law of 1997 (70 ILCS 200/240-1 et seq.).

*Motel* means any permanent structure where transient sleeping accommodations are afforded to and provided for the public where parking facilities for motor vehicles are provided in a parking lot or garage on the

same premises; provided that a hotel that furnishes parking space or has a garage in connection with the hotel shall not be considered an auto court, motel or roadside hotel.

*Operating deficit* means the amount that the metro authority's total expenses, excluding provision for depreciation and amortization, but including property tax liability, exceeds the metro authority's total operating revenues as determined in accordance with generally accepted accounting principles for governmental entities.

*Person* means any natural person, trust, court appointed representative, syndicate, association, partnership, firm, club, company, corporation, business trust, institution, agency, contractor, supplier, vendor, vendee, operator, user, owner, or any officers, agents, employees, or other representatives acting either for himself or for any other person in any capacity or any other entity recognized by law as the subject of rights and duties; the masculine, feminine, singular or plural is included in any circumstances.

*Purchaser* means any person who pays for any food, beverage, or alcoholic liquor, as defined herein.

*Renter* means any person who pays for the privilege of using or of occupying a hotel or motel room for the period for which payment is made.

*State* means the State of Illinois or any agency or department of the state.

*State funding* means money committed and distributed to the metro authority from the metropolitan exposition, auditorium, and office building fund in the state treasury pursuant to law.

(Code 1970, § 7-56; Ord. No. 1978-52-O, 4-14-1978)

- **Sec. 5-41. - Food and beverage sales tax imposed.**

(a)

There is hereby levied and imposed a sales tax of one percent upon the retail purchase price of food and beverages sold in the city. The tax herein levied shall be paid in addition to any and all other taxes and charges, but such other taxes and charges shall not be construed as part of the purchase price upon which the herein sales tax is levied.

(b)

The ultimate incidence of and liability for payment of the sales tax levied herein is to be borne by the purchaser of the food and beverages. Such tax is to be paid by the purchaser, and nothing in this section shall be construed to impose a tax upon the occupation of persons engaged in the retail sale of food and beverages.

(c)

Any person engaged in the retail sale of food and beverages shall include the tax imposed herein in the final sale price, or otherwise absorb such tax, and shall pay over to the finance director said tax under procedures prescribed by the finance director in the manner provided in this division.

(d)

This section shall not apply to the retail sales of food and beverages made by any organization which is exempted from the payment of federal income taxes because of its nonprofit status pursuant to [26 USC 501\(c\)\(3\)](#), as verified by possession of a letter of exception, issued by the United States Internal Revenue Service.

(Code 1970, § 7-57; Ord. No. 1978-52-O, 4-14-1978)

- **Sec. 5-42. - Alcoholic liquors sales tax imposed.**

(a)

There is hereby levied and imposed a sales tax of one percent upon the retail purchase price of alcoholic liquors sold in the city. The tax herein levied shall be paid in addition to any and all other taxes and charges, but such other taxes and charges shall not be construed to be a part of the purchase price upon which the herein sales tax is levied.

(b)

The ultimate incidence and liability for payment of the sales tax levied herein is to be borne by the purchaser of the alcoholic liquor. Such tax is to be paid by the purchaser, and nothing in this section shall be construed to impose a tax upon the occupation of persons engaged in the retail sales of alcoholic liquors.

(c)

Any person engaged in the retail sale of alcoholic liquors shall include the tax imposed herein in the final sale price, or otherwise absorb such tax, and shall pay over to the finance director said tax under procedures prescribed by the finance director in the manner provided in this division.

*(Code 1970, § 7-58; Ord. No. 1978-52-O, 4-14-1978)*

- **Sec. 5-43. - Hotel or motel sales tax imposed.**

(a)

There is hereby levied and imposed a sales tax of one percent upon the charge for renting a hotel or motel room for any purpose in the city for each 24-hour period, or any portion thereof. The tax herein levied shall be in addition to any and all other taxes and charges applicable to such hotels or motels, but such other taxes and charges shall not be construed to be a part of the charge upon which the herein sales tax is levied.

(b)

The ultimate incidence of and liability for payment of the sales tax levied herein is to be borne by the renter of said room. Such tax is to be paid by the renter, and nothing in this section shall be construed as a tax upon the occupation of renting hotel or motel rooms.

(c)

Any person engaged in renting hotel or motel rooms shall include the tax imposed herein in the rental price, or otherwise absorb such tax, and pay over to the finance director said tax under procedures prescribed by the finance director in the manner provided in this division.

(d)

This section shall not apply to any renter who resides in the same hotel or motel room for more than 30 consecutive days, or to any person who works and resides in the same hotel or motel as a condition of employment therein.

*(Code 1970, § 7-59; Ord. No. 1978-52-O, 4-14-1978)*

- **Sec. 5-44. - Transmittal of food and beverage, alcoholic liquor, and hotel and motel sales tax; transmittal of reports; records required.**

(a)

Any person engaged in the retail sale of food and beverages, any person engaged in the retail sale of alcoholic liquors, or any person engaged in the renting of hotel or motel rooms shall transmit to the finance director, on or before the last day of each calendar month, a sum of money equal to the sales taxes collected for the sale of food and beverages, the sale of alcoholic liquors, or the renting of hotel or motel rooms for the preceding calendar month; and simultaneously therewith, shall transmit a report upon forms supplied by the finance director indicating the gross receipts from the sale of food and beverages, the sale of alcoholic liquors, or the renting of hotel or motel rooms, and such other information as the finance director may reasonably require for the enforcement of this division.

(b)

Any person engaged in the retail sale of food and beverages, the sale of alcoholic liquors, or the renting of hotel or motel rooms shall keep complete and accurate books and records, including a daily sheet showing the gross receipts for sales of food and beverages, the sales of alcoholic liquors, or the hotel or motel rentals for the day reported, and the sales taxes collected on that day.

(c)

For the purposes of administering and enforcing this division, the finance director shall, after providing reasonable notice, have access during normal business hours to the books and records of persons engaged in the retail sales of food and beverages, the retail sales of alcoholic liquors, and the renting of hotel or motel rooms.

*(Code 1970, § 7-60; Ord. No. 1978-52-O, 4-14-1978)*

- **Sec. 5-45. - Penalty for violating sections 5-41 through 5-44.**

Any person who violates [section 5-41](#), [5-42](#), [5-43](#), or [5-44](#), upon conviction thereof, shall be punished by a fine of not less than \$200.00 for the first offense, and not less than \$300.00 for the second and each subsequent offense in any 180-day period. A separate and distinct offense shall be regarded as having been committed each day upon which said person shall continue any such violation.

*(Code 1970, § 7-60; Ord. No. 1978-52-O, 4-14-1978)*

- **Sec. 5-46. - Proceeds of taxes; redevelopment fund.**

The finance director shall, in a timely manner, deposit the proceeds resulting from the collection of the sales taxes imposed by this division into a separate fund, entitled a "redevelopment fund," for the city.

*(Code 1970, § 7-62; Ord. No. 1978-52-O, 4-14-1978; Ord. No. 2004-226-O, 12-6-2004)*

- **Sec. 5-47. - Administration of redevelopment fund; budget review.**

(a)

The finance director shall make payments from, invest and reinvest the proceeds of, and otherwise administer the fund as follows:

(1)

The first draw from the redevelopment fund shall be for the monthly reimbursement to the city for the city's actual costs of collecting the sales taxes imposed by this division and the cost of administering the fund.

(2)

The second draw from the redevelopment fund shall be for the benefit of the metro authority. The amount of the draw shall be as established by the current funding agreement by and between the city and the metro authority.

(3)

The third draw from the redevelopment fund shall be for the performance of redevelopment contracts as provided hereinafter. The city, through ordinance of the city council, shall enter into, make, and execute a contract for the delivery of services and related activities that provide for the economic development and physical redevelopment of the city. Such contract may include provisions for the expenditure or obligation of funds provided in the capital pool, as described in subsection (a)(4) of this section. The contract or contracts shall be made with one or more of those parties that, in the

opinion of the city council, are most capable of providing the desired redevelopment services and activities. For purposes of this subsection, the employment of individuals by the department of community and economic development for the purpose of directly providing economic development services shall be considered a contract for which redevelopment fund monies may be expended. The city shall annually in its budget ordinance indicate the employees by position and the amounts for salaries and benefits to be paid from the redevelopment fund. The department of community and economic development shall negotiate the terms of each contract on behalf of the mayor, and the mayor shall submit each redevelopment contract through the planning and development committee or such other committee to which the duties of this section are assigned to the city council for consideration thereof.

(4)

The finance director shall reinvest all redevelopment fund money not otherwise distributed in subsections (a)(1), (a)(2) and (a)(3) of this section. All or part of the principal and interest income of said reinvestments may be released by ordinance of the city council to provide a capital pool for redevelopment activities. A capital pool may be used for various purposes which include, but are not limited to, the following: establishing loan funds or guaranteeing loans for commercial or residential rehabilitation; paying for bonded indebtedness relating to redevelopment; providing the local shares for federal or state loans or grants; paying for the acquisition of development rights or restrictions, or paying for the acquisition of redevelopment property; and establishing loan funds for guaranteeing loans for high risk minority entrepreneur investments.

(b)

The department of community and economic development shall annually prepare and the mayor shall submit for the city council's review and approval a budget for the redevelopment fund.

*(Code 1970, § 7-63; Ord. No. 1978-52-O, 4-14-1978; Ord. No. 1986-257-O, 11-24-1986; Ord. No. 2004-226-O, 12-6-2004)*

- **Sec. 5-48. - Termination; partial invalidity.**

This division shall automatically terminate December 31, 2028.

*(Code 1970, § 7-64; Ord. No. 1978-52-O, 4-14-1978; Ord. No. 1990-137-O, 5-14-1990; Ord. No. 2004-226-O, 12-6-2004; Ord. No. 2007-30-O, 2-12-2007)*

- **Secs. 5-49—5-69. - Reserved.**

- **DIVISION 3. - HOTEL/MOTEL TOURISM TAX**

- **Sec. 5-70. - Tax imposed.**

There is hereby imposed upon all persons engaged in the city in the business of renting, leasing, or letting rooms in a hotel (as defined in the hotel operator's occupation tax act (35 ILCS 145/1et seq.), at a rate of five percent of the gross rental receipt from such renting, leasing or letting of rooms.

*(Code 1970, § 7-64.1; Ord. No. 1984-173-O, 12-17-1984; Ord. No. 1990-335-O, 11-19-1990; Ord. No. 1993-312-O, 11-22-1993; Ord. No. 1996-294-O, 12-16-1996; Ord. No. 1997-109-O, 6-16-1997; Ord. No. 1998-108-O, 5-26-1998)*

- **Sec. 5-71. - Exemptions.**

The gross rental receipts upon which the tax imposed in [section 5-70](#) is based shall not include gross rental receipts of any hotel room leased for more than 30 consecutive days to one person, or gross rental receipts of any hotel room that is leased to a person as a condition of his employment at the same hotel.

*(Code 1970, § 7-64.2; Ord. No. 1984-173-O, § 2, 12-17-1984)*

- **Sec. 5-72. - Reimbursement.**

Persons subject to the tax imposed in [section 5-70](#) may reimburse themselves for their tax liability for such tax by separately stating such tax as an additional charge in the rental of the hotel room, which charge may be stated in combination, in a single amount, with state tax imposed under the hotel operator's occupation tax act (35 ILCS 145/1et seq.).

*(Code 1970, § 7-64.3; Ord. No. 1984-173-O, § 3, 12-17-1984)*

- **Sec. 5-73. - Transmittal of tax; transmittal of reports; inspection of records.**

(a)

Any person engaged in the renting of hotel rooms shall transmit to the finance director, on or before the last day of each calendar month, a sum of money equal to the tax imposed on the renting of hotel rooms for the preceding calendar month; and simultaneously therewith, shall transmit a report upon forms supplied by the finance director indicating the gross receipts from the renting of hotels rooms, and such other information as the finance director may reasonably require for the enforcement of this division.

(b)

Any person engaged in the renting of hotel rooms shall keep complete and accurate books and records, including a daily sheet showing the gross receipts for the hotel room rentals for the day reported, and the tax imposed on the receipts for that day.

(c)

For the purposes of administering and enforcing this division, the finance director shall, after providing reasonable notice, have access during normal business hours to the books and records of persons engaged in the renting of hotel rooms.

*(Code 1970, § 7-64.4; Ord. No. 1984-173-O, § 4, 12-17-1984)*

- **Sec. 5-74. - Penalties.**

Any person who violates this division, upon conviction thereof, shall be punished by a fine of not less than \$200.00 for the first offense, and not less than \$300.00 for the second and each subsequent offense in any 180-day period. A separate and distinct offense shall be regarded as having been committed each day upon which said person shall continue any such violation.

*(Code 1970, § 7-64.5; Ord. No. 1984-173-O, § 5, 12-17-1984)*

- **Sec. 5-75. - Proceeds of tax for tourism.**

(a)

The proceeds of the tax shall be retained by the finance director in a separate fund that shall be expended solely to promote tourism, conventions and other special events within the city, or otherwise attract nonresidents to visit the city.

(b)

Any agreements to fund the activities of any organization or governmental agency for the promotion of tourism, conventions, special events and other attractions with the proceeds of the tax imposed in [section 5-70](#) shall be in writing and shall be approved by the city council.

*(Code 1970, § 7-64.6; Ord. No. 1984-173-O, § 6, 12-17-1984; Ord. No. 1998-108-O, 5-26-1998)*

- **Sec. 5-76. - Term.**

The tax imposed by this division shall be paid on the basis of gross receipts from the rental of hotel rooms through and including December 31, 2018, unless this termination date is extended by ordinance of the city council.

*(Code 1970, § 7-64.7; Ord. No. 1984-173-O, § 7, 12-17-1984; Ord. No. 1987-265-O, 11-23-1987; Ord. No. 1990-335-O, 11-19-1990; Ord. No. 1993-312-O, 11-22-1993; Ord. No. 1996-294-O, 12-16-1996; Ord. No. 1997-109-O, 6-16-1997; Ord. No. 1998-108-O, 5-26-1998)*

- **Secs. 5-77—5-95. - Reserved.**